



SF 2212 – Sales Tax Rebates, Baseball and Softball Tournament Facilities (LSB6009SV)
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Fiscal Note Version – New

Description

Senate File 2212 modifies the rebate of state sales tax to the owner or operator of a baseball and softball tournament facility and movie site. The bill changes the qualifying entity to any baseball and softball complex completed after July 1, 2016, and has construction costs of at least \$10.0 million. The requirement that the legal owner or operator be a for-profit is modified. A cap is placed on individual complexes at \$2.5 million, meaning that any one complex cannot receive more than \$2.5 million.

Background

In 2012, Iowa Acts, chapter **1098**, a sales tax rebate was enacted that applies to the owner or operator of a baseball and softball tournament facility and movie site. The provision provides a rebate of sales tax between January 1, 2014, and January 1, 2024, from the sales tax imposed and collected by retailers at the All-Star Baseball Haven facility in Dyersville, Iowa. The aggregate amount is not to exceed \$16.5 million. The provision will be repealed June 30, 2024 (or 30 days after the \$16.5 million cap is achieved).

Under the bill, a complex remains eligible until one of the following conditions are met:

- More than 10 years has passed from the date the complex was completed.
- A complex reaches the \$2.5 million rebate cap imposed on each complex.
- The aggregate \$16.5 million cap is reached on the Program.
- There is a change in control in the ownership of a complex making it ineligible.

With a \$16.5 million Program cap, and \$2.5 million individual rebate cap, there could be at least six projects financed under this Program if they meet the \$10.0 million investment requirement. The Program will no longer have the automatic repeal in 2024, but rather until \$16.5 million in funds have been rebated.

Assumptions

- With or without **SF 2212**, the baseball and softball facility complex in Dyersville will qualify.
- A second facility in Cedar Rapids, known as Prospect Meadows, will also qualify and is estimated to be completed in 2017 and ready for use in 2018. The first year rebates will be claimed in FY 2018, with claims paid only in the last two quarters.
- Prospect Meadows will have \$3.0 million in income that will be subject to sales and use tax.

Fiscal Impact

The expansion of the sales tax rebate is estimated to have the following impact on the General Fund. Applicable Local Option Sales Tax funds will be diverted. State sales/use tax for school infrastructure (Secure and Advance Vision of Education—SAVE) funds are not rebated.

	General Fund Impact	Local Option Sales Tax Impact
FY 2017	\$ 0	\$ 0
FY 2018	-75,000	-15,000
FY 2019	-157,000	-31,000
FY 2020	-163,000	-33,000
FY 2021	-169,000	-34,000
FY 2022	-175,000	-35,000
FY 2023	-181,000	-36,000
FY 2024	-188,000	-38,000
FY 2025	-195,000	-39,000
FY 2026	-202,000	-40,000
FY 2027	-210,000	-42,000
FY 2028	-109,000	-22,000

Additional qualifying facilities are unknown at this time and not factored into this estimate.

Source

Iowa Department of Revenue

/s/ Holly M. Lyons

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The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
